(c) if so, by when and if not, reasons therefor?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM): (a) The gross non-performing assets of all scheduled commercial banks as on 31st March 2005 is Rs. 58091 crore.

(b) and (c) At present, no such proposal is under consideration of the Government. However, Government of India and Reserve Bank of India have stipulated certain steps for recovery of loans, which, *inter-alia,* include evolving and implementing a recovery policy by banks, filing of suits in civil courts/DRTs, issue of notices under SARFAESI Act, 2002, compromise settlement and monitoring and follow up of NPAs at variious levels. The Credit Information Companies (Regulation) Act, 2005 has been enacted to provide for regulation of credit information companies and to facilitate efficient distribution of credit. Credit Information Bureau has also been set up to disseminate information on borrowers to the banks.

Rate of interest on loans for agriculture sector

†168. SHRI SURENDRA LATH: Will the Minister of FINANCE be pleased to state:

(a) whether it is a fact that Public Sector and private banks are providing loans at less rate of interest to agricultural sector, if so, what is the interest rate;

(b) whether it is also a fact that Cooperative banks of the country are not providing loans at the same low rate of interest to agricultural sector at which other banks are providing; and

(c) if so, the reasons therefore and steps being taken by Government to provide loans at minimum and uniform rate of interest to the farmers by the banks of all sectors in the country?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE: (SHRI S.S. PALANIMANICKAM): (a) Interest rates on loans given by the banks are deregulated and banks are free to determine the rate of interest taking into account the cost of funds and the risk cost involved. However, interest rate on loans by Commercial Banks upto Rs. 2.00 lakhs should

†Original notice of the question was received in Hindi.

not exceed the Benchmark Prime Lending Rate (BPLR). Further, Indian Banks' Association has advised commercial banks to charge interest rate of not more than 9% p.a. crop loans upto Rs. 50,000/-.

(b) and (c) NABARD has issued instruction to Regional Rural Banks and Cooperative Banks to review the rates of interest charged by them to bring them on par with rate of interest charged by Commercial Banks. However, Cooperative Banks generally charge a higher rate of interest than Commercial Banks due to high cost of funds, multi-tier structure of Cooperatives, high level of overdues and transaction cost, etc.

Financial crisis in Bihar

169. SHRI SANJAY RAUT: Will the Minister of FINANCE be pleased to state:

(a) whether the Central Government are aware that the State Government of Bihar is facing serious financial crunch and it's economy is under precarious situation;

(b) if so, Government's views and reaction thereto;

(c) whether Government's attention has been drawn to the recent report of World Bank of Bihar's financial status;

(d) if so, the details thereof; and

(e) what are the corrective measures taken or proposed to be taken for the development of Bihar?

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE (SHRI S.S. PALANIMANICKAM): (a) and (b) No, Sir. The Central Government is not in receipt of any formal communication from the State Government indicating that the State of Bihar is facing a serious financial crunch. As a matter of fact the State has not been in a position of overdraft either in the year 2004-05 or in 2005-06. The treasury holdings of the State as on 20.7.2005 were of the order of Rs. 2970.08 crores. No request was received from the State for a Ways and Means Advance or for Medium Term Loan.

(c) Yes, Sir.